

## Monopoly and Crisis

By Professor Taichiro Kawanishi.

After giving a general explanation of crisis, the article takes up the relation between monopoly and crisis. (1) Does monopoly do away with crisis? and (2) how does monopoly affect the nature and extent of crisis? As to the former, some economists believe that since monopoly must systematize capitalism, it will consequently do away with crisis. But the writer refutes this conception both from the theoretical standpoint and on the strength of practical examples. As to the latter, how will the characteristics of monopolistic capitalism influence crisis? The writer demonstrates how capitalism must develop crisis to an international extent, and make it last almost without end.

Upon the basis of the above conceptions, the writer proceeds to the study of the peculiarities and special causes of the world's crisis that we are experiencing at the present moment. The former are found to be;—(1) Unprecedented universal prevalence, (2) unknown acuteness, and (3) endless prolongation.

As to the causes, the following points which have appeared or have come to the front after the world war, are enumerated—

(1) In addition to the effects of capitalism, the competitive existence of the nations under the capitalistic regime.

(2) The face-to-face existence of the conqueror and the conquered; of the creditor and the debtor nation.

(3) Co-existence of the capitalistic nations and their colonial possessions.

(4) Co-existence of capitalistic nations and the Sovjet-Union.

(5) Intermixture of agricultural and industrial crises.

Thus considered, it becomes plain that though there is much to be said for World's Economic Conference, which is now being held in London, for its ambitious task to work out the means of breaking through this unprecedentedly severe crisis, there is little likelihood of seeing much good come out of it.

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## A Suggestion for the Corrective Equilibrium Rate of Sexes and How It Reveals the Female Excess in Japanese Population

By Professor Toyotaro Takemura.

According to statistical terms, the Equilibrium Rate of Sexes means how many of one-sex are there in a population per 100 or 1,000 of the other. As to the rate, the following generalizations are possible.

(1) When taken in such a large number of people as a nation, there is a fairly good balance between the numbers of both sexes.

(2) The world as a whole presents a population with male excess.

(3) If we grant Western Europe as representing modern culture, old and civilized countries have more females, while new or less civilized ones more males. By the way, Japan is a country with male excess. The three successive censuses report 100.4 (1920) and 101.0 (1925 and 1930) males against every 100 females.

It is to be noted, however, that these calculations are invariably made to compare the whole male population against the whole female. The writer names it the simple or ordinary equilibrium rate of sexes. He doubts if the rate thus calculated means much in social sciences. For, first, it is not all female nor all male popula-

tion that need be considered in marital relations. Only those in marriageable ages ought to be compared. Secondly, it is not usual that those in the same ages are married. Men marry women some years younger than themselves. In order to correctly calculate the equilibrium rate, therefore, men and women of marriageable ages only ought to be compared with the consideration of the lag of men's marriage ages. The writer names the rate thus calculated the corrective equilibrium rates of sexes, after the manner of Dr. Bertillon's corrective marriage-rate.

What change will be brought about when the correction is made? In Japan, the average marriage age of men has been very slightly less than 5 years. Now, comparison is to be made between the men of 25—49 years of age and the women of 20—44 years of age, each being divided into 5-year-age groups. The result is as follows:—  
(figures representing thousands.)

age groups	men	women	female excess
m. 25—29	2,256	2,485	229
f. 20—24			
m. 30—34	1,920	2,136	216
f. 25—29			
m. 35—39	1,768	1,795	27
f. 30—34			
m. 40—44	1,624	1,680	56
f. 35—39	1,539		
m. 45—49	1,539	1,597	58
f. 40—44			
total	9,108	9,696	588

After a slight correction, the female excess of 530,254 is found. This means 94.50 men per 100 women, or in the European way 105.82 women per 100 men.

The writer goes on to show at some length how his apparently improbable conclusion is amply backed by facts from actual life.

They chiefly fall into three items. First, it is proved by statistical figures that there are more unmarried persons among women than among men in this country. Secondly, women's marriage ages concentrate themselves in a much shorter age-space. In Japan women over thirty, have little chance of getting married. Thirdly, it is more difficult for women to remarry than for men. Three times more men remarry each year. This means that remarrying men have a good chance of getting married with virgins, while women once bereft or divorced have little prospect of remarriage. Do not these facts point out the existence of female excess-in this "male-excessive country"? If even Japan has a female excess, what will be the corrective equilibrium rates in female-excessive Western Europe and what will they suggest as to the future of the monogamous family system of the present civilization?

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## Simonde de Sismondi As the Father of the Socialism of the Chair; A Contribution to the History of Economics.

By Shinzo Ohno, Lecturer at Chuo University.

Jean Charles Léonard Simonde de Sismondi, the Swiss economist, is an unfortunate scholar, buried in oblivion through the erroneous portrayal of economic historians. When his name is casually mentioned, he is taken for an epigone of the Orthodox School, or as a socailist or a political romantist. It is highly necessary to correct once for all the injustice done to this remarkable genius, and restore him in the position of honor to which he is duly entitled.

Sismondi was at first an earnest believer in the "Laissez-faire" doctrine, but as a result of his witnessing so many crisis that visited England at that time and wielded their doleful influence upon many other countries, he radically changed his opinion, and bravely joined the opponents of that doctrine. In making the new start, he chose as the basis of his theory the utilitarianism enunciated by Bentham. Through Sismondi, economics came to be a practical-ethical science, the object of which was to give the largest number of individuals united in a society the highest degree of material happiness. (In contrast to this attitude he called the orthodox political economy by the name of "Chrematistics.") He thought that such a mission could not be fulfilled through the Laissez-faire doctrine, as was claimed by classical economists. Instead, he followed the famous Italian economist, Melchiorre Gioja, and insisted upon the necessity of Governmental interference with business activities in order to conciliate conflicting interests of individuals with those of society.

In Sismondi's theory of economics, the balance between production and consumption is made the basis of the whole system. The forces that determine the balance are, in his opinion, the income of various classes of society, or social income. In the process of explaining the idea of balance, he not only developed the noteworthy conception of the statics and dynamics of social economy, which has only recently been made the starting point of scientific economics, but also presented in quite a systematic form the theory of surplus-value which has later become the very foundation of the so-called theoretical socialism. Further, in order to explain how the balance between production and consumption is disturbed, he brought out a new theory of crisis known as the under-consumption theory, which was broadcasted by later socialists.

Great as was Sismondi's contribution on the theoretical side of economics, his lasting merit lies, it may be said, rather in his

agrarian policy. He was an opponent of large scale farming, and fervently advocated the protection of small farmers. He thought the guiding principles of farming must not be in the increase of net profit, but should lie in that of gross earning. From this point of view he could easily explain the deplorable devastation of the roman Campagna, degenerating process of the farmers on the Scotch highlands as well as the stark poverty of the tenant farmers of Ireland.

In the theory of population also, Sismondi worked out new ideas. Representing as he did, the historical as well as sociological methods of study he considered the Malthusian theory of population to be too abstract to make it the keystone of economic doctrine. So he enunciated a "voluntaristic theory" of population. According to Sismondi, overpopulation was not the cause of social distress, as Malthus claimed, but in fact the consequence.

In the sphere of public finance, he first established the system upon the social betterment doctrine, which was later elaborated fully by German scholars, especially by Adolf Wagner. It was his belief that taxation was an important means of equalizing social inequalities. He was a firm believer in progressive taxation and insisted upon the remission of taxation for the class with the minimum income.

What Sismondi offered as the means of solving social problems was that which is later known as the Socialism of the Chair. Not because he did not place much faith in the success of the voluntary movement of laborers for the improvement of their conditions, but he relied more upon the legislative interference of the Government. Thus he earnestly desired to see Labor Laws enacted. Underlying all his social doctrines there was always an idea which he named "professional guarantee", that is, the entrepreneurs must be held responsible in assuring laborers their living.

In short, Sismondi was not a socialist, for, while demanding a certain change in the Laissez-faire doctrine, which he regarded as

the cause of many evils, he did not advocate the abolishment of private property. It is true that he came under the influence of political romantists to a certain degree, but seeing that his views regarding an agarian policy were altogether different from those held by them, he was not a romantist himself. After all, he was a pioneer of a system of philosophy of his own, a doctrine which is no other than an ethical or sociological system of thought, which is usually traced by most economic historians solely to the German historical school. In other words, he was the first socialist of the chair, though he never occupied a chair of a university.

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## Theories of Quesnay and Smith on the Reproduction of the Total Capital of Society

By Mr. Hideo Yamashita.

In the preceding article Quesnay's theory upon the reproduction of the aggregate capital of society was studied. In this number it is proposed to deal with how Smith treated this theory. The points in which Smith seems to have improved upon Quesnay's works may be summed up as follows:—

(1) He demonstrated that labor in any branch of industry is productive. This is contrary to the views enunciated by Quesnay who thought agricultural labor only was productive. Thus Smith made manufacturing industry as productive of surplus value.

(2) While Quesnay thought that the agrarian population replaced capital only, while getting no income, Smith made it clear that since labor in any branch of activity was productive, agricultural labor was also productive of the income for the agrarian entrepreneur, over and above the recovery of his capital.

(3) He corrected Quesnay's error that in manufacturing industry,

floating capital only sufficed to carry on production, and made it clear that to carry on manufacturing industry the fixed capital was as much necessary as the floating.

But Smith committed a serious mistake and thereby lost the key to the solution of this problem. That is to say, in analyzing the value of commodities he named wages, interest and rent, but omitted that part which belongs to fixed capital. Of course he was aware of this portion. But he divided this portion also into wages, interest and rent. He insisted that the aggregate value of commodities produced every year was divided either directly or indirectly into these three. But this is the mistake arising out of his confusion of the value of annual products with the products of value that are produced each year. The latter consist of wages, interest, and rent, while in the former, there must be not only these three, but also such portion as to be devoted to the reimbursement of the means of production (that is capital.) Reproduction without capital is inconceivable. Once the idea of capital lost, the problem of reproduction had to go astray.

This error of Smith was to destroy the fundamental premise of this problem, and just as soon as the premise was lost, it is only natural that his later analysis should fail. In treating the difference between the gross and the net income of society, he explained that the net income is the difference between the gross income and all those parts of capital which did not assume the form of consumable materials. But in a part of the value of goods there was, beside wages, interest and rent, a fourth part, i. e. capital. Thus, while Smith excluded capital in analyzing the value of commodities, here he brought it in. If he were logically consistent and considered the functions of each part of the value of commodities, he must have found out that there was a part pertaining to capital value, and that when the other parts were functioning as income, this part was always functioning as capital.

Further, proceeding from the proposition that the value of commodities



could be resolved into wages, interest and rent, he stepped over to the conclusion that the value of commodities was composed of wages, interest and rent. Then, from the proposition that every part of the value of commodities was the source of income for each class of society, he thought that the value of commodities was determined by the income of each class. Before, the value of commodities was the cause and the income of each class was its consequence. Smith reversed the order. But the fact that each part of the value of commodities constitutes the income of different classes of society does not make any change in the character or the value of commodities. That which determines the value of commodities is the labor expended and not income. So here again Smith failed to be logically consistent. His lack of insight into the function of every part of the value of commodities made him put the cart before the horse.

The theory of the reproduction of the aggregate capital of society was once presented by Quesnay, but was confused by Smith. Notwithstanding his merit in working out the fundamental categories and clarifying the analysis of capital, Smith was led to lose the clear and bold manner of exposition so very characteristic of Quesnay as shown in the *Tableau économique*. For the solution of this problem one hundred years was needed after the death of Adam Smith.